

# Allied Bank West

1500 WAUGH DRIVE  
1300 POST OAK BLVD.  
P.O. BOX 4401  
HOUSTON, TEXAS 77210-4401

RECORDATION NO. 15134  
12/23 1986 /12130pm  
INTERSTATE COMMERCE COMMISSION  
January 22, 1987

RECORDATION NO. 15133 Filed & Recorded

12/23 1986 /12130pm

INTERSTATE COMMERCE COMMISSION

Ms. Mildred Lee  
Interstate Commerce Commission  
12th and Constitution  
Washington D. C. 20423

12/23/86  
10:00  
Washington, D. C.

Dear Ms. Lee

Per our conversation, I have enclosed the copies of the Security Agreement for Associated Railcar and Arthur O. and Nancy Bentch. Allied Bank West has taken a security interest in the railcars owned by each of the parties above. Their addresses are as follows:

Nancy and Arthur O. Bentch  
2427 Doverglen  
Missouri City, Texas 77489

Associated Railcar, Inc.  
25231 Grogan's Mill Road #500  
The Woodlands, Texas 77380

Please record this information with the Interstate Commerce Commission. After recordation, please return to my attention at Allied Bank West, P. O. Box 4401, Houston, Texas 77210

If you have any questions, please give me a call at 713-599-8755.

Sincerely,

Lisa Brown

Lisa Brown  
Note Operations Officer

## COMMERCIAL SECURITY AGREEMENT

Dated October 20, 1986

<b>Debtor(s)</b>	
Arthur O. and Nancy Bentch	
2427 Doverglen	
(Street Address)	
Missouri City, Texas 77489	
(City, State, County, Zip Code)	

<b>Secured Party</b>	
Allied Bank West	RECORDATION NO. 1 5134 Filed & Recorded
1300 Post Oak BLvd.	INTERSTATE COMMERCE COMMISSION
(Street Address)	
Houston, Texas 77056	
(City, State, County, Zip Code)	

(hereinafter referred to as "Debtor" whether one or more)

(hereinafter referred to as "Secured Party")

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, Debtor grants to Secured Party the security interest (and the pledges and assignments as applicable) hereinafter set forth and agrees with Secured Party as follows:

A. **OBLIGATIONS SECURED.** The security interest and pledges and assignments as applicable granted hereby are to secure punctual payment and performance of the following: (i) certain promissory note(s) of even date herewith in the original principal sum of \$ \_\_\_\_\_, executed by Debtor and payable to the order of Secured Party, and any and all extensions, renewals, modifications and rearrangements thereof. (ii) certain obligations of Debtor to Secured Party under

and all extensions, renewals, modifications and rearrangements thereof; and (iii) any and all other indebtedness, liabilities and obligations whatsoever and of whatever nature of Debtor to Secured Party whether direct or indirect, absolute or contingent, primary or secondary, due or to become due and whether now existing or hereafter arising and howsoever evidenced or acquired, whether joint or several, or joint and several (all of which are herein separately and collectively referred to as the "Obligations"). Debtor acknowledges that the security interest (and pledges and assignments as applicable) hereby granted shall secure all future advances as well as any and all other indebtedness, liabilities and obligations of Debtor to Secured Party whether now in existence or hereafter arising.

B. **USE OF COLLATERAL.** Debtor represents, warrants and covenants that the Collateral will be used by the Debtor primarily for business use, unless otherwise specified as follows:  Personal, family or household purposes;  Farming operations.

C. **DESCRIPTION OF COLLATERAL.** Debtor hereby grants to Secured Party a security interest in (and hereby pledges and assigns as applicable) and agrees that Secured Party shall continue to have a security interest in (and a pledge and assignment of as applicable), the following property, to-wit: (DEBTOR TO INITIAL APPROPRIATE BLANKS)

- **All Accounts.** A security interest in all accounts now owned or existing as well as any and all that may hereafter arise or be acquired by Debtor, and all the proceeds and products thereof, including without limitation, all notes, drafts, acceptances, instruments and chattel paper arising therefrom, and all returned or repossessed goods arising from or relating to any such accounts, or other proceeds of any sale or other disposition of inventory.
- **Specific Accounts.** A security interest in only those specific accounts and/or contracts listed and described on Schedule A attached or which may hereafter be attached hereto, and all the proceeds and products thereof, including without limitation, all notes, drafts, acceptances, instruments and chattel paper arising therefrom, and all returned or repossessed goods arising from or relating to any such accounts or other proceeds of any sale or other disposition of inventory.
- **All Inventory.** A security interest in all of Debtor's inventory, including all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property, wheresoever located, now owned or hereafter acquired and held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in Debtor's business and all additions and accessions thereto and contracts with respect thereto and all documents of title evidencing or representing any part thereof, and all products and proceeds thereof, including, without limitation, all of such which is now or hereafter located at the following locations: (give locations)
- **All Fixtures.** A security interest in all of Debtor's fixtures and appurtenances thereto, and such other goods, chattels, fixtures, equipment and personal property affixed or in any manner attached to the real estate and/or building(s) or structure(s), including all additions and accessions thereto and replacements thereof and articles in substitution therefor, howsoever attached or affixed, located at the following locations: (give legal address)

The record owner of the real estate is:

- **All Equipment.** A security interest in all equipment of every nature and description whatsoever now owned or hereafter acquired by Debtor including all appurtenances and additions thereto and substitutions therefor, wheresoever located, including all tools, parts and accessories used in connection therewith.
- **General Intangibles.** A security interest in all general intangibles and other personal property now owned or hereafter acquired by Debtor other than goods, accounts, chattel paper, documents and instruments.
- **Chattel Paper.** A security interest in all of Debtor's interest under chattel paper, lease agreements and other instruments or documents, whether now existing or owned by Debtor or hereafter arising or acquired by Debtor, evidencing both a debt and security interest in or lease of specific goods.
- **Farm Products.** A security interest in all of Debtor's interest in any and all crops, livestock and supplies used or produced by Debtor in farming operations wheresoever located; Debtor's residence is in the county shown at the beginning of this Agreement, and Debtor agrees to notify promptly Secured Party of any change in the county of Debtor's residence; all of Debtor's crops or livestock are presently located in the following counties: (give counties)
- **Securities.** A pledge and assignment of and security interest in the securities described below, together with all instruments and general intangibles related thereto and all monies, income, proceeds and benefits attributable or accruing to said property, including, but not limited to, all stock rights, options, rights to subscribe, dividends, liquidating dividends, stock dividends, dividends paid in stock, new security or other properties or benefits to which the Debtor is or may hereafter become entitled to receive on account of said property. (give description)
- **Certificates of Deposit.** A pledge and assignment of and security interest in all of Debtor's interest in and to the certificates of deposit described below and instruments related thereto, and all renewals or substitutions therefor, together with all monies, income, interest, proceeds and benefits attributable or accruing to said property or to which Debtor is or may hereafter be entitled to receive on account of said property. (give description)

- **Instruments.** A pledge and assignment of and security interest in all of Debtor's now owned or existing as well as hereafter acquired or arising instruments and documents.
- **Other.** A security interest in all of Debtor's interest, now owned or hereafter acquired, in and to the property described below. (give description)

See Exhibit "A"

Notary Public - Harris County, Texas My continuing education  
USA K. Brown Expirs 6/10/84

uses and purposes therefor in exp

uses and purposes therein expressed.

on this 20th day of October 1986, before me,  
apparead Arthur O. Bentch and Nancy Bentch  
who I am satisfied are the persons named in  
and who executed the within instrument and  
they signed and delivered the same for the

Arthur O. Bentch and Nancy Bentch

EXECUTED this 20 day of October

98

1

10. **Confidentiality Agreement**. The Security Interest shall be deemed a continuation of the terms and provisions in this Agreement until terminated in writing. Any such revocation or termination shall only be effective if explicitly confirmed in a signed writing issued by Secured Party prior to such revocation or termination, as to which this Agreement shall in no way impair the right of affected parties to affect any transactions entered into and discharged in full. Unless otherwise provided by applicable law, Secured Party shall be liable to terminate this Agreement prior to such revocation or termination, as to which this Agreement shall be liable to terminate upon receipt of notice and confirmation of such revocation or termination.

11. **Binding Effect**. The provisions of this Security Agreement shall be binding upon the heirs, personal representatives, successors and assigns of Debtor and the heirs, powers and remedies of Secured Party hereunder shall be binding upon the beneficiaries and assigns of Secured Party.

12. **Governing Law**. This Security Agreement shall be governed by the law of the State of Texas and applicable federal law.

9. **Amenements.** Néanmoins, si l'autre partie signe tout autre document qui contredit ou modifie les dispositions de ce contrat, il sera préféré à ce contrat.

8. **Headings and Gender.** Paragraph headings in this Agreement are for convenience only and shall be given no meaning or significance in interpreting this Agreement. All words used herein shall be construed to be of such gender or number as the circumstances require.

**6. Relationship to Other Agreements.** This Security Agreement is in addition to (and not in substitution for) any and all prior or contemporaneous security agreements and assignments as applicable between the parties to the extent such agreements are in conflict with the terms and conditions of the latest security agreement shall govern and control.

3. **Use of Copies.** Any carbon, photostatic or other reproduction of any finding or statement signed by DeGroot is sufficient as a financing statement for all purposes, including without limitation, filing in any state as may be permitted by the provisions of the Uniform Commercial Code of such state.

4. **Severability.** Any provision herein found to be invalid only by courts having jurisdiction shall be invalid only with respect to such provision and then only to the extent necessary to avoid such invalidity. The offending provision shall be modified to the maximum extent possible to conform upon Section 2(c) of the Uniform Act thereby. Such provision as modified and the remaining provisions hereof shall be construed and enforced to the same effect as if such offending provision (or portion thereof) had not been contained herein, to the maximum extent possible.

3. **Waivers.** Debtor and any maker, endorser, guarantor, surety or other party liable in any capacity respecting the Obligations hereby waive demand, notice of intention to accelerate, notice of acceleration, notice of non-payment, recalculation, protest, notice of disbursement and any other similar notice whatsoever.

to the maximum extent practicable under applicable law as how or in what manner such obligations may be discharged by the courts having jurisdiction.

1. **Savings Clause.** Notwithstanding any provision to the contrary herein, or in any of the documents evidencing the Obligations or otherwise relating thereto, no such provision shall require the parties to permit the application of interest in excess of the maximum permitted by law. If any such excessive interest is so provided for, then in such event (i) the provisions of this paragraph shall govern and control; (ii) neither Debtor nor his heirs, legal representatives, successors or assigns nor any other party liable for the payment hereof, shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount permitted by law; (iii) any such excess interest shall be held void as against the parties; and (iv) the effective rate of interest shall be automatically reduced

۷۲

L. OTHER AC

default remedied or without waiving any other prior or subsequent default.

other Obligations in such order of manner as Secured Party may elect. Debtor shall be entitled to any surplus in one result of application of the proceeds. Debtor shall remain liable for any deficiency.

other disposition will be made.

without process of law; and, in his discretion, such my premises where the Contractor is located to remove same; to dispose of the Contractor's tools and equipment, and/or of such premises; to lease or otherwise dispose of the Collateral, by public or private proceedings, and set aside, for each other credit, without assumption of credit risk; and/or (d) whether before or after realization, collect and receive for, compound, compromise, and settle, and give releases, discharges and acquittances with respect to, any and all amounts owed by any person to the Collateral. Unless the Collateral is perishable or otherwise is of a type which is customarily sold on a recognized market, Secured Party will send Debtor reasonable notice of the time and place of any public sale of any part of any estate or interest which is of a type which is customarily sold on a date made. Any requirement of reasonable notice to Debtor shall be met if such notice is mailed, to Debtor or the address of Debtor disposition will be made.

2. **Rights and remedies** in the Uniform Commercial Code of Texas, and any and all of the rights and remedies provided for in this Article shall prevail over all other agreements concerning contracts made by the parties hereto.

Notice of intention to accelerate, notice of acceleration, notice of non-payment, presentment, protest, notice of dishonor, or any other notice whatsoever, all of which are hereby waived by Debtor and any maker, endorser, guarantor, surety or other party liable in any capacity for any of the Obligations.

shall be entitled to exercise any one or more of the following rights (all of which are cumulative):

**K. REMEDIES** Upon the occurrence of any of the following events, the Secured Party may demand payment of the Obligations in full:

undertaken and agreed that Secured Party shall have no responsibility for accrediting any matriculates of similar natures relating to any of the Collateral or for informing Debtor with respect to any of such matters (irrespective of whether Secured Party actually attends, or may be deemed to have, knowledge thereof).

Exhibit "A"

- 1) Two-- 1967 33,500 gallon nominal capacity tank car DOT specification 112J340W equipped with 100 ton roller bearing truck. Car # GLNX 34178 and GLNX #34179
- 2) Assignment of Management agreement between Arthur O . Bentch and GLNX
- 3) Assignment of lease between GLNX and Rocky Mountain Transportation.
- 4) Hold of \$3,000 on AMMA Savings 2216-141.
- 5) Insurance on tank cars.